

**MINUTES OF THE MEETING OF THE  
UNIFORM COMMERCIAL CODE COMMITTEE  
OF THE BUSINESS LAW SECTION  
OF THE STATE BAR OF CALIFORNIA**

**November 14, 2006  
(9:30 am. to 11:00 a.m.)**

The November 14, 2006, 2006 meeting of the Uniform Commercial Code Committee (the "Committee") was called to order at approximately 9:30 a.m. with James Cochran presiding.

**A. ADMINISTRATIVE MATTERS**

1. **Roll Call.** Please refer to the attendance sheet at the end of the minutes.
2. **Minutes of Prior Meeting.** The minutes for the October 6, 2006 meeting will be reviewed at the December Committee meeting.
3. **Future Meeting Dates/Locations.** The next three Committee meetings are scheduled as follows:
  - a. Tuesday, December 12, 2006 at 9:30 a.m. via videoconference in the offices of PWSP, subject to confirmation of availability of videoconference equipment;
  - b. Tuesday, January 9, 2007 at 10:30 a.m. at the Manhattan Beach Marriott Hotel (in-person);
  - c. Tuesday, February 20, 2007 at 9:30 a.m. via videoconference in the offices of PWSP, subject to confirmation of availability of videoconference equipment; and
  - d. Second Tuesday of each month thereafter, subject to confirmation at a subsequent meeting. An in-person meeting in Northern California will be scheduled for later in the year.

**B. MAIN AGENDA ITEMS**

1. **Commercial Money Center case.** Harry Sigman reported that members of the Permanent Editorial Board ("PEB") complimented the Committee for its letter, which they found very helpful, particularly for its discussion of the impact of the case on real world transactions. Although the PEB has not taken any action as yet, it is anticipated that it will prepare one or two PEB Commentaries to address (a) the case-specific issues and (b) Section 9-318. The Committee discussed what, if any, further action it should take. Upon motion duly made, seconded and passed by acclamation, the "ad hoc" CMC committee was made a formal subcommittee. The Committee has asked that subcommittee to consider further work, possibly including (a) a study of how practitioners may wish to adapt their practices in light of the decision in the case, including any changes in transactional documents, due diligence, or opinion practice; (b) review of any PEB Commentary that might be drafted in the future.

2. Recent Case Update: Wells Fargo Bank Minnesota v. B.C.B.U., 143 Cal. App. 4<sup>th</sup> 493 (published September 27, 2006). Vasco Morais briefly discussed the recent case, which addresses the interplay between certain provisions of Divisions 9 and 10 of the California UCC, as well as certain related issues that have been raised by participants in the UCCLaw-L listserve.

*Debtors*  
3. Individual Names on Financing Statements. Upon motion duly made, seconded and passed by acclamation, a new subcommittee was created to study issues regarding debtors' names on financing statements. The subcommittee shall be known as the "Debtors' Names" Subcommittee, and it shall define the scope of its work at its initial meeting.

4. New Initiatives by Website Development and E-Communications Subcommittee. Vasco Morais reported that this subcommittee has divided responsibility for web content, updating the Committee website and e-blast communications among its members. He urged everyone to think about possible new content for the website and for e-blasts. He noted that the Subcommittee is considering a new feature for the website to be called "Ask An Expert," to enable members of our constituency to pose practical questions that might not be appropriate for posting to the UCCLaw-L Listserve, and that Harry Sigman and Jerry Grossman have indicated a willingness to be some of the experts available to provide responses. It was agreed that the subcommittee should prepare a written proposal to add the feature to our website, and submit the proposal to Ex Com to be sure that there neither Ex Com nor the State Bar will object.

### C. SUBCOMMITTEE AND OTHER REPORTS

1. BLS Leadership Meeting: Barry Dubin and Jim Cochran reported that they attended the BLS Leadership Meeting and that many other BLS Standing Committees are interested in working with the UCC Committee on joint projects and presentations. The BLS is emphasizing service to constituents, and encouraging extensive use of the website and e-blast communications.

2. Hidden Liens Subcommittee: Demetria Vong-Spillan reported that the Subcommittee has developed a working timeframe, which includes finalizing first drafts by Thanksgiving, and then distributing the drafts for comment, proofreading, etc. The goal is to have everything assembled in publishable form by early spring. She noted that the publication will not discuss every possible hidden lien, but will include a compendium of hidden liens, and discuss 'representative' or particularly important liens. In this connection, it was suggested that the subcommittee consider whether a security interest granted by a former ~~buyer~~ *seller* of used equipment should be discussed as a 'hidden lien,' and reference was made to the somewhat related Listserve discussion of a security interest granted by a buyer who then rescinds the contract of sale. It was noted that there is a distinction in that the other hidden liens discussed arise out of non-UCC transactions and statutes, whereas these originate in Article 9 transactions.

3. Legislation and Case Law Tracking Subcommittee: No formal report was given. However, Barry Dubin reported that Larry Doyle, the BLS Legislative Representative, may be able to assist the Committee in tracking legislation of interest

4. Uniform Assignment of Rents Subcommittee: Jim Cochran reported for Wansun Song that the Subcommittee has divided the statute into several sections, and each member is responsible for reviewing particular sections and comparing them to the California statute.

5. Deposit Account Control Agreements Subcommittee: No formal report was given, but Jim Cochran noted that the ABA Task Force is moving forward with the preparation of new Rider for its form of Deposit Account Control Agreement.

6. Publications and Programs Subcommittee: Barry Graynor reported that he is gathering ideas from the discussions at the meeting and other sources and anticipates that many would make good topics for either publications or programs or both. There was some discussion regarding determining whether publications were better suited for the Business Law News, the Website or e-blasts.

7. Liaison Subcommittee: Jan Kosel learned of her appointment as chair of this Subcommittee yesterday and had no report.

8. E-Commerce Subcommittee: Troy Zander learned of his appointment as chair of this Subcommittee yesterday and promised a report at the next meeting.

9. BLS Model Opinion Project: Jim Cochran reported that he has learned that Jerry Grossman is working on this project and there is no specific timetable for completion at this time, but the Committee will be involved in reviewing and commenting on anything that is developed.

#### **D. LIAISON UPDATES**

1. Executive Committee Liaison. Pauline Stevens reported that the BLS Leadership Meeting was very successful – people were excited to be meeting and discussing how they could work together early in their terms rather than the traditional late-Spring meeting.

2. Other Liaisons. There were no other liaisons present and reporting.

#### **E. OTHER ITEMS NOT ON AGENDA**

a. Barry Dubin and Jim Cochran reminded everyone that it is not too soon to begin thinking about encouraging people to apply for membership on the Committee.

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The meeting was adjourned at approximately 11:10 a.m.

#### Attendance at the November 14, 2006 Meeting:

James S. Cochran	Present
Barry A. Dubin	Present

Janice E. Kosel	Present
Wansun Song	Absent
Harry C. Sigman	Present
Ariel Berrios	Present
Edward P. Christian	Absent
Kevin C. Cops	Present
Patrick Costello	Present
Bradley C. Crawford	Present
Jennifer Dinkelman	Present
Francis X. Ferrer	Absent
Barry A. Graynor	Present
Elliott Hinds	Absent
Stacy M. Hopkins	Absent
David Isenberg	Absent
Vasco H. Morais	Present
John C. Oehmke	Absent
Brenda H. Ruttenberg	Absent
Robert Sherman	Present
Audrey L. Sung	Absent
Robert A. Trodella, Jr.	Present
Demetria Vong-Spillan	Present
Edith R. Warkentine	Present
Troy Zander	Present
Pauline M. Stevens (Ex Com Liaison)	Present